



Missouri Technology Corporation's Implementation Plan To Support

CATALYZING INNOVATION: STRATEGIES FOR MISSOURI TO DRIVE INNOVATION AND ENTREPRENEURSHIP

Fiscal Year 2023





Introduction

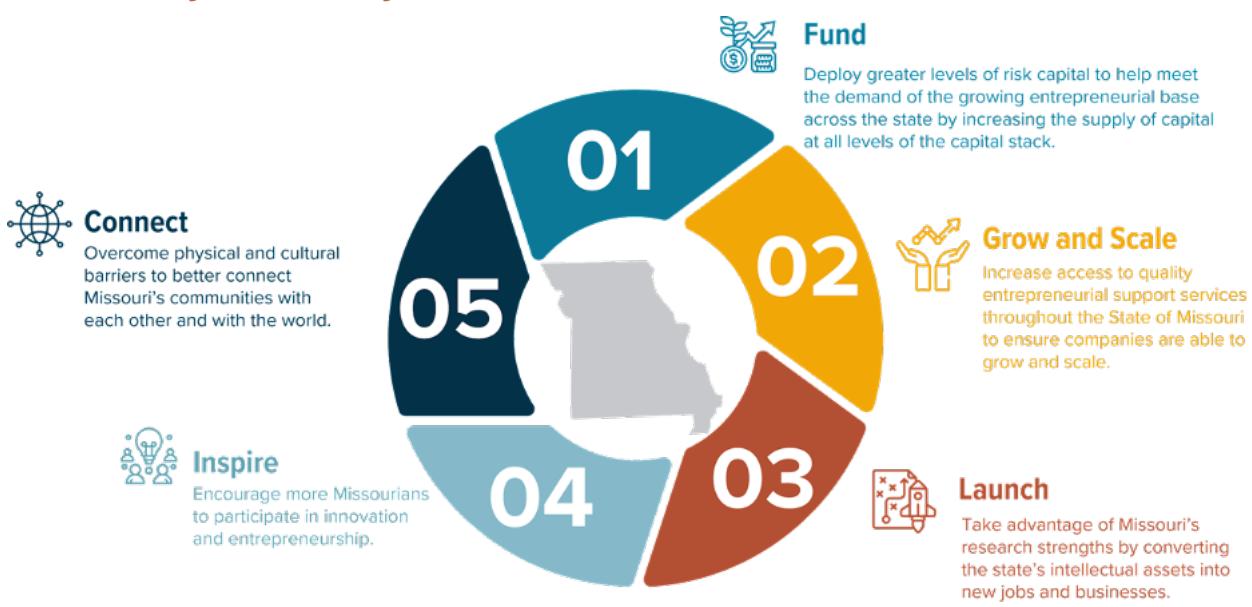
In February of 2022, the Missouri Technology Corporation (MTC) released a report from TEconomy Partners, LLC (TEconomy) entitled [Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship](#). The report was informed by a robust, six-month planning process with guidance from a 16-member, statewide steering committee and from over 500 individuals across the state through a digital survey and virtual regional and statewide engagement meetings. Based on a data-driven analysis of the insights collected, TEconomy identified five bold and compelling strategies. They recommended 16 action items to catalyze the state's innovation and entrepreneurship ecosystems to drive economic development over the next decade.

Data analyzed by TEconomy demonstrated that MTC has been an essential asset in driving innovation, entrepreneurship, and economic development throughout Missouri over the last decade. MTC's previous successes are a direct result of strategic planning and execution focused on promoting entrepreneurship and innovation within emerging, high-growth, and high-potential sectors that can provide outsized economic development impacts within the state.

For Missouri to continue to maximize the economic development gains from its innovation and entrepreneurship ecosystems, MTC needed a new strategic plan to support the continued advancement of those ecosystems that will lead to the creation of higher-paying jobs and other positive economic development impacts within the State of Missouri. The creation of the data-driven strategic plan will allow MTC to continue supporting and growing Missouri's entrepreneurs, innovation, and entrepreneurial-focused ecosystems throughout the next decade.

This document, the Implementation Plan, will outline how MTC will either lead or support in the implementation of the strategies and actions recommended by TEconomy. MTC's implementation plan is informed by the resources currently available to the organization, its capacity, and the alignment of action items to its mission. MTC will take the lead on implementing some action items and play a supporting role in others. The implementation plan will be publicly available and updated annually for transparency and accountability.

Five strategies to support innovation and entrepreneurship as recommended by TEconomy:



STRATEGY ONE: FUND

Deploy greater levels of investment capital to help meet the demands of the growing entrepreneurial base.

Overview:

While recognizing that the amount of risk capital dollars invested in Missouri has grown, it is also important to note that the number of deals has declined. This suggests a shift toward larger, later-stage investments and away from early-stage deals, making it difficult for many entrepreneurs across Missouri to access risk capital. Outreach across Missouri's innovation and entrepreneurship ecosystem revealed a range of challenges, including:

- Working capital options needed to grow and scale companies are limited. Because not all businesses are suited for traditional venture capital due to unrealistic ROI expectations, alternative financing options are required to grow and scale companies.
- Entrepreneurs and potential investors need more training/education in accessing and deploying financial capital.
- The lack of angel investment tax credits (compared to Kansas and other states) is a barrier for potential investors and early-stage entrepreneurs.
- There is a desire to create new funding mechanisms that address Missouri-specific opportunities, such as investment in industry vertical funds not traditionally financed through equity investments and funds targeting diverse founders.

To address these challenges, TEconomy recommended three actions:

- Action 1: Catalyze additional investment capital funds across the capital stack.**
- Action 2: Incentivize angel investments.**
- Action 3: Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.**

For full description of Strategy One: Fund, refer to page 34 of the Catalyzing Innovation report.

Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 1: Catalyze additional investment capital funds across the capital stack.**
 - MTC will manage the federal State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.
 - The SSBCI 2.0 program provides a combined \$10 billion to states to empower small businesses to access the capital needed to invest in job-creating opportunities as the country emerges from the pandemic. The funds will also support promoting American entrepreneurship and democratizing access to startup capital across the country.
 - Missouri's SSBCI allocation is approximately \$95 million and will be deployed over an eight-to-ten-year timeframe. It is anticipated that Missouri will receive its initial allocation in fiscal year 2023.
 - In fiscal year 2023 and fiscal year 2024, MTC will research new competitive grant opportunities, with the goal of piloting grant programs in fiscal year 2024, to support the formation and growth of Missouri-based early-stage venture funds and encourage the formation of formal angel organizations.
- **Action 3: Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.**
 - In fiscal year 2023, MTC will assess the program's feasibility, identify potential partners, and develop a framework for a proof of concept/pilot program.
 - Contingent on the feasibility studies, in fiscal year 2024, MTC will pilot a proof-of-concept program to determine its long-term potential.
 - If the program is determined to be viable and capable of positive economic impact, a statewide program will be launched.

MTC will take a supporting role on the implementation of Action 2. *For more information, see Appendix B.*



STRATEGY TWO: GROW AND SCALE

Increase access to quality entrepreneurial support services throughout Missouri to ensure companies are able to grow and scale.

Overview:

Over the past decade, Missouri has experienced a significant startup formation rate of traded-sector firms. Although Missouri has made many strides in recent years to support these new establishments, there are many concerns that the entrepreneurial support assets and resources are not always equally available. In particular, those Missourians living in rural areas and those considered underserved entrepreneurs, including women, veterans, immigrants, rural entrepreneurs, and LGBTQIA+ individuals, face challenges in accessing essential ecosystem services.

To address these challenges, TEconomy recommended three actions:

- **Action 4: Develop a statewide Entrepreneurial Pathways Program.**
- **Action 5: Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.**
- **Action 6: Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.**

For full description of Strategy Two: Grow and Scale, refer to page 42 of the Catalyzing Innovation report.

Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 4: Develop a statewide Entrepreneurial Pathways Program.**
 - In fiscal year 2023, MTC will review the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program and review platforms developed and managed by peer organizations. MTC will determine the minimum requirements for a statewide platform and release an RFP in late fiscal year 2023 or early fiscal year 2024.
 - In fiscal year 2024, MTC will select a third-party provider to design and implement an online platform that will support the Entrepreneurial Pathways Program through an RFP process.
 - In fiscal year 2025 and beyond, MTC will launch and manage the online platform throughout the state of Missouri in support of the Entrepreneurial Pathways Program.
- **Action 5: Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.**
 - ***Competitive Grant Programs:***
 - In fiscal year 2023, MTC will develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state. Specifically, MTC will look to establish grant programs designed to support entrepreneurs' access to affordable physical workspace across the state, the development of regional nodes across the state to allow entrepreneurs direct access to resources in their regions, and the continued support of programs and organizations designed to provide resources critical to the success of the state's entrepreneurs.
 - In fiscal years 2024 and 2025, these pilot programs will be assessed, and, if successful, expanded and formalized into annual grant programs.
 - ***Entrepreneur in Residence (EIR) Program***
 - In fiscal year 2024, the feasibility of a statewide or regional Entrepreneur in Residence (EIR) Programs will be assessed.
 - In fiscal year 2025 or beyond, based on the feasibility assessment, an EIR Program will be designed and piloted.
- **Action 6: Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.**
 - In fiscal year 2024, MTC will identify best practices by studying similar programs.
 - In fiscal year 2025 or beyond, MTC will launch a pilot program.



STRATEGY THREE: LAUNCH AND CULTIVATE

Take advantage of Missouri's research strengths by converting the intellectual assets into market opportunities.

Overview:

Developing a vibrant environment that encourages basic and applied research at colleges, universities, and within industry is essential if Missouri is to catalyze further innovation-led economic growth. It is also critical that Missouri can transfer the intellectual property developed at its colleges and universities into new products, services, and businesses, and ultimately, into new jobs and investments. There is untapped innovation and entrepreneurial potential within Missouri's research institutions.

To address these challenges, TEconomy recommended three actions:

- Action 7: Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.
- Action 8: Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.
- Action 9: Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions.

For full description of Strategy Three: Launch and Cultivate, refer to page 54 of the Catalyzing Innovation report.

Implementation Plan for Action Items that MTC Will Be Leading:

- Action 7: Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.
 - In fiscal year 2023, MTC will identify members from the state's research universities to join the RAM and host an initial meeting.
 - In fiscal year 2024 and beyond, MTC will facilitate and manage RAM as a peer group and advisory council to the organization.
- Action 8: Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.
 - In fiscal year 2023, MTC will research the current I-Corps Programs operating in Missouri and other statewide I-Corps programs as potential best practices.
 - In fiscal year 2024 and beyond, MTC will look to implement best practices in the development of a statewide I-Corps program, ensuring all the state's entrepreneurs have access to the federal program.

MTC will take a supporting role on the implementation of Action 9. For more information, see Appendix B.



STRATEGY FOUR: INSPIRE

Encourage more Missourians to participate in innovation and entrepreneurship.

Overview:

Few things are as vital to the long-term prosperity of Missouri's entrepreneurial ecosystem as having access to the talent needed to grow and scale high-potential, high-growth firms. Interviews with key stakeholders suggest that not enough Missourians participate in innovative and entrepreneurial endeavors, either because they have never been connected to these firms and are unaware that they exist, or because they believe they are not a fit for an entrepreneurial opportunity. Developing these connections will be critical in the state's efforts to support the formation and growth of entrepreneurial firms.

To address these challenges, TEconomy recommended four actions:

- Action 10: Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.
- Action 11: Fund an internship program that connects startups to talent.
- Action 12: Offer entrepreneurship education across Missouri through regional partnerships.
- Action 13: Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.

[For full description of Strategy Four: Inspire, refer to page 60 of the Catalyzing Innovation report.](#)

Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 11: Fund an internship program that connects startups to talent.**
 - In fiscal year 2024, MTC will research best practices and inventory existing internship programs that focus on entrepreneurship in the state of Missouri.
 - In fiscal year 2024 and fiscal year 2025, MTC will launch a pilot program that will match interns with startups for paid internship experiences.
 - Contingent on the success of the pilot program, in fiscal year 2026 and beyond, MTC will launch a statewide internship program.
- **Action 13: Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.**
 - In fiscal year 2023, MTC will research and develop platforms to facilitate increased and enhanced storytelling capabilities throughout the state. Initial efforts will in a redesigned MTC website and launching an e-newsletter.
 - In fiscal year 2024 and beyond, MTC will implement new branding and communication initiatives.

MTC will take a supporting role on the implementation of Actions 10 and 12. For more information, see Appendix B.



STRATEGY FIVE: CONNECT

Overcome physical and cultural barriers to better connect Missouri's communities with each other and with the world.

Overview:

Connectivity is missing between the various components of Missouri's innovation and entrepreneurial ecosystem, literally (e.g., broadband) and figuratively (e.g., perceived competition and siloed efforts). Over the last ten years, while Missouri has made significant strides in entrepreneurship/innovation, there is still a sense that the state is not reaching its full potential due to a range of disconnects and other environmental factors that impede further growth.

- **Inter- and intra-regional competitiveness hinders the ability to realize “One Missouri.”** There is a need for initiatives that encourage greater levels of collaboration across Missouri. Many regions of the state exist in silos, and even within regions, there are further challenges related to coordinating existing resources and working together across silos. The geographic boundaries traditionally used to define some parts of the state may result in a fragmented distribution of resources.
- **There is a disconnect between internal and external perceptions in the state regarding the importance of innovation and entrepreneurship to Missouri’s economy.** There is concern that the defunding of MTC in FY18 sent a message throughout that the State of Missouri does not prioritize investments in innovation and entrepreneurship. This has left founders, programs, and initiatives questioning whether the support and resources they need will be available.
- **Available and affordable high-speed internet is recognized as the most significant business infrastructure need across Missouri and the greatest threat to Missouri’s innovation climate.** The economic competitiveness of Missouri's communities depends on the widespread availability and accessibility of broadband for every business and household in the state. A modern technology infrastructure that can handle cloud, data processing, and other capabilities is needed to encourage innovation and entrepreneurship.

To address these challenges, TEconomy recommended three actions:

- Action 14: Realize One Missouri: Improve connectivity within and between regions.
- Action 15: Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.
- Action 16: Deploy broadband infrastructure across Missouri.

For full description of Strategy Five: Connect, refer to page 67 of the Catalyzing Innovation report.

Implementation Plan for Action Items that MTC Will Be Leading:

- Action 14: Realize One Missouri: Improve connectivity within and between regions.
 - In fiscal year 2024, MTC will develop and pilot peer working groups for ecosystem partners and stakeholders to connect and share best practices.
 - In fiscal year 2025 and beyond, MTC will continue to facilitate and manage statewide peer working groups and assess the need to expand the working groups program.

MTC will take a supporting role on the implementation of Actions 15 and 16. For more information, see Appendix B.

Next Steps

MTC will use the Implementation Plan to actively engage in the implementation of the strategies and recommendations within TEconomy's Catalyzing Innovation report that represent the best opportunities for economic development impact. The plan was developed based upon the resources currently available to the organization, as well as those believed to be accessible in the near future; the organization's current and future capacity; and the alignment of recommendations to MTC's mission to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based Missouri businesses.

MTC will take the lead on implementing some action items and play a supporting role in others. MTC will also be focused on how to integrate strategies and tactics outlined in currently active and newly launched programs to increase accessibility and inclusivity with the goal of growing Missouri's innovation and entrepreneurial ecosystems by ensuring everyone can participate fully.

To ensure transparency and accountability, the implementation plan will be publicly available and updated annually. To access the most up-to-date implementation plan, visit www.missouritechnology.com.

Appendix A: Action Items MTC Will Lead

MTC IMPLEMENTATION TASKS BY YEAR

		MTC IMPLEMENTATION TASKS	FY2023	FY2024	FY2025–Beyond
STRATEGY 1: FUND					
Action 1	Catalyze investment capital funds across capital stack	Manage the federal State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.	Missouri's SSBCI allocation is approximately \$95 million to be deployed over an eight-to-ten-year timeframe. It is anticipated that Missouri will receive its initial allocation in fiscal year 2023.		
		Research, develop, and pilot new competitive grant opportunities to support the formation and growth of Missouri-based, early-stage venture funds and encourage the formation of formal angel organizations.	Research and develop new grant programs.	Pilot new grant programs.	
Action 3	Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.	Assess feasibility of Missouri Rural Vitality Funds to identify potential partners, and develop a framework for a proof of concept/pilot program. Contingent on the feasibility studies, MTC will pilot a proof-of-concept program to determine its long-term potential.	Assess feasibility of program.	Initiate proof of concept/pilot program.	Manage proof of concept/pilot program.
		If the Missouri Rural Vitality Funds program is determined to be viable and capable of positive economic impact, a statewide program will be launched.			Launch statewide program.
STRATEGY 2: GROW AND SCALE					
Action 4	Develop a statewide Entrepreneurial Pathways program	Conduct a review of the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program, as well as review platforms developed and managed by peer organizations. Determine the minimum requirements for a statewide platform and release an RFP.	Research and determine minimum requirements for platform/portal.	Identify third party provider or design/ implement internal project through RFP.	Launch and manage statewide platform/portal.
		Select a third-party provider to design and implement an online platform that will support the Entrepreneurial Pathways Program through RFP process. Launch and manage the online platform throughout the state of Missouri in support of the Entrepreneurial Pathways Program.			
Action 5	Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth traded sector startups.	Develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state.	Pilot new grant programs.	Assess & evaluate pilot grant programs.	Formalize and expand new grant programs.
		Assess and evaluate pilot programs. If successful, expand and formalize into annually grant programs.			Launch new grant programs.
Action 6	Connect MO's corporate partners and anchor institutions with startups, thereby creating a stickiness to Missouri for the entrepreneurial endeavor's ultimate success.	The feasibility of a statewide or regional Entrepreneur in Residence (EIR) Programs will be assessed. Based on the feasibility assessment, an EIR Program will be designed and piloted.		Assess feasibility & minimum requirements of program.	Design and pilot program.
		Identify best practices by studying similar programs.			Launch proof of concept/pilot program.
Launch a pilot program.					

Appendix A: Action Items MTC Will Lead

MTC IMPLEMENTATION TASKS BY YEAR

		MTC IMPLEMENTATION TASKS	FY2023	FY2024	FY2025–Beyond
STRATEGY 3: LAUNCH AND CULTIVATE					
Action 7	Reenergize the RAM as a mechanism for bringing together the state's major research institutions to solve common innovation continuum challenges.	Identify members from the state's research universities to join the RAM and host an initial meeting. Facilitate and manage RAM as an advisory council to the organization.	Identify members from the state's research universities to join the RAM Committee and launch first meeting.	Ongoing management of the RAM Committee.	Ongoing management of the RAM Committee.
Action 8	Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.	Research the current I-Corps Programs operating in Missouri and other statewide I-Corps programs as potential best practices. Look to implement best practices in the development of a statewide I-Corps program, ensuring all the state's entrepreneurs have access to the federal program	Conduct research.	Look to implement best practices in development of statewide program.	Launch statewide program.
STRATEGY 4: INSPIRE					
Action 11	Fund an internship program that connects startups with talent.	Research best practices and inventory existing internship programs that focus on entrepreneurship in the state of Missouri. Launch a pilot program that will match interns with startups for paid internship experiences. Contingent on the success of the pilot program, launch a statewide internship program.		Research best practices and inventory existing internship programs.	Launch proof of concept/pilot program.
Action 13	Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.	Research and develop platforms to facilitate increased and enhanced storytelling capabilities throughout the state. Initial efforts will in a redesigned MTC website and launching an e-newsletter. Implement new branding and communication initiatives.	Research and develop platforms to facilitate increased storytelling.	Full implementation of new branding and communication initiatives.	Ongoing management of marketing and communications activities.
STRATEGY 5: CONNECT					
Action 14	Realize One Missouri: Improve connectivity within and between regions.	Develop and pilot peer working groups for ecosystem partners and stakeholders to connect and share best practices. Continue to facilitate and manage statewide peer working groups, as well as assess the need for the expansion of the working groups program.		Pilot initial statewide peer working groups.	Expand statewide peer working groups.
		If MTC executes on the items outlined in the implementation plan, the resulting programs should address this need as well.			

Appendix B: Action Items MTC Will Support

STRATEGY 1 FUND		TEconomy's Recommendation	MTC's Role
Action 2	Incentivize angel investments	Create a tax credit that would provide a qualified investor with a transferable income tax credit equal to 25 percent of an eligible investment in an eligible Missouri company.	Manage & administer the Angel Tax Credit Program.
STRATEGY 3: LAUNCH AND CULTIVATE		TEconomy's Recommendation	MTC's Role
Action 9	Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions.	It is recommended that the state develop a comprehensive system to assist potential, current, and past SBIR/STTR awardees.	Manage & administer the SBIR/STTR matching program.
STRATEGY 4: INSPIRE		TEconomy's Recommendation	MTC's Role
Action 10	Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.	Missouri should develop a statewide effort to improve access to programs that encourage student entrepreneurship. This effort should build on ongoing efforts across Missouri and the nation, including Kauffman Foundation's Real World Learning business plan competition, entrepreneurial education programs from Junior Achievement, and Venture for America's fellowship program for recent college graduates pursuing careers in entrepreneurship.	Support active and new programs. Possibly develop new grant programs to fund activities.
Action 12	Offer entrepreneurial education across Missouri through regional partnerships.	Missouri should leverage newly established regional nodes to offer introductory courses where "students" learn, practice, and discuss methods and techniques using the lean startup methodology. Students of all ages and backgrounds can gain exposure to this process through guided courses that help define and refine an idea's core problem and solution, and potential customers and potential market opportunities.	Support active and new programs. Possibly develop new grant programs to fund activities.
STRATEGY 5: CONNECT		TEconomy's Recommendation	MTC's Role
Action 15	Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.	Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.	Support active and new programs.
Action 16	Deploy a broadband infrastructure across Missouri.	Deploy a broadband infrastructure across Missouri.	Support active and new programs.